

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

OCT 26 2012

Senator Roger Sherman, Chair
Representative Joyce Maker, Chair
State of Maine
Citizen Trade Policy Commission
c/o Office of Policy & Legal Analysis
State House Station #13
Augusta, ME 04333-0013

Dear Senator Sherman and Representative Maker:

Thank you for the recent letters you sent on behalf of the Citizen Trade Policy Commission (CTPC) and for sending a copy of your 2012 Trade Policy Assessment. I appreciate receiving your input on the possible impacts of international trade agreements generally and the Trans-Pacific Partnership (TPP) specifically, including the potential coverage of procurement by state governments and the potential treatment of tobacco and pharmaceuticals. In addition, you asked several questions regarding the status of the dispute in the World Trade Organization (WTO) regarding the Country of Origin Labeling Act (COOL).

With regard to your concerns with the potential coverage of state procurement under the TPP, let me assure you that the United States will only cover the state procurement of Maine or any other state where that state has expressly authorized such coverage. This is our long-established practice, which dates back to the inclusion of state procurement under the WTO Agreement on Government Procurement. With respect to your interest in further discussions of these issues, I understand our government procurement negotiator, Jean Grier, has been in contact with you.

In one of your letters you also outlined a number of CTPC recommendations regarding the treatment of tobacco in the TPP negotiations. We have heard from many stakeholders in recent months, with a number of perspectives on this issue and the draft tobacco proposal we developed. We are considering this wide-ranging input before determining how to move forward in the TPP negotiations. It is important to ensure we strike the right balance on an issue that is important to so many Americans. As we move forward in our review of the input we have received, we look forward to further discussion with interested stakeholders, including members of the CTPC.

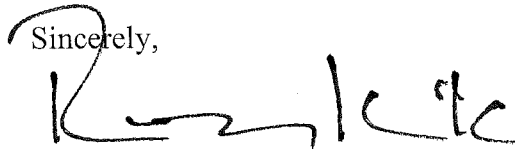
Regarding your concern on the reimbursement of pharmaceutical products and medical devices, USTR is seeking TPP transparency provisions to ensure transparency and procedural fairness for pharmaceutical products and medical devices. This is a significant area of concern for U.S. exporters, including those in the innovative and generic pharmaceutical industries and the medical device industry. Our emphasis on transparency and fairness preserves flexibility for all TPP governments to design evidence-based pricing and reimbursement programs at the national level, while ensuring respect for the rights of stakeholders of all viewpoints through basic norms of transparency and procedural fairness. We will continue to negotiate these provisions carefully with the concerns of state government authorities in mind. As USTR has indicated previously, it remains our view that corresponding provisions of existing agreements are not applicable to Medicaid or health care programs at non-central levels of government.

NOV 05 2012

Finally, you asked about the status of the WTO dispute settlement proceedings regarding COOL. The United States has stated that it intends to comply with the recommendations and rulings of the WTO in the COOL dispute. We are continuing to consult internally within the U.S. Government on this matter, and no decision has yet been made as to how we will implement the WTO's recommendations and rulings.

Thank you again for sharing your views on the TPP negotiations and other trade issues of interest to the CTPC. We appreciate this input and your active engagement with us, and we will continue to consult closely with stakeholders, including members of the CTPC, as we formulate and implement U.S. trade policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Kirk", written in a cursive style.

Ambassador Ron Kirk